

WRITTEN STATEMENT
OF
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VICE PRESIDENT, GLOBAL GOVERNMENT RELATIONS
S. C. JOHNSON & SON, INC.
BEFORE THE SELECT COMMITTEE ON ECONOMIC DISPARITY
& FAIRNESS IN GROWTH
UNITED STATES HOUSE OF REPRESENTATIVES
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“PATHWAYS TO OPPORTUNITY: LESSONS FROM KENOSHA”

Chairman Himes, Ranking Member Steil, and members of the Select Committee, I am very pleased to be here today to discuss SCJ’s work around providing and expanding opportunities for education and employment in southeast Wisconsin. My name is Diego Ruiz and I am Vice President of Global Government Relations at S. C. Johnson & Son, Inc. (SC Johnson).

About SC Johnson

Founded in 1886 and headquartered in Racine, Wisconsin, SC Johnson believes that a more sustainable, healthier and transparent world that inspires people and creates opportunities isn't just possible - it's our responsibility.

A heritage of innovation and bold, transparent decisions is why our high-quality products and iconic brands – including OFF!® Raid®, Glade®, Windex®, Scrubbing Bubbles®, Ziploc®, Mrs. Meyers®, method®, Autan®, Baygon®, Mr Muscle®, Duck®, Lysoform® and more – are in homes, schools and businesses in virtually every country worldwide.

As a global, purpose-led company, we are committed to making the world a better place today and for future generations. That means relentlessly bringing our expertise in science, innovation and partnerships to bear on some of the world's most pressing environmental and health issues like reducing plastic waste and eradicating malaria. Around the world, we use our resources to unlock

greater economic and educational opportunities for people and communities where access may be limited, but curiosity and potential are limitless.

Providing Opportunities for Our Community and Our Employees

Ever since SC Johnson was founded, the company has been working to create opportunities for people in the communities where we live and work, especially right here in southeast Wisconsin. By helping carve out new pathways to economic and social mobility, we can help improve the lives of individuals and families. We believe education is at the core of opportunity, and widening access to education has been and will continue to be a significant focus area for our company. From supporting “boot camps” through Gateway Technical College that help individuals build skills and eventually careers, to providing college scholarships to high school seniors in the area, or putting books in the hands of kids through the Racine Reads program – we are committed to giving students as many educational opportunities as possible to enable them to reach their full potential. In particular, we believe removing barriers to greater economic mobility and opportunity for underserved people is critical to the future of this country, and the backdrop of social unrest and concerns about equality of opportunity that our country has witnessed in recent years speaks to the particular importance of this issue.

SC Johnson is especially pleased to take part in this hearing on the campus of the University of Wisconsin – Parkside. We appreciate and recognize the great partner Parkside has been for us and our local community. For nearly 60 years, the University has been committed to educating and developing the best workforce possible. Sixty percent of Parkside students are from Racine and Kenosha Counties, and it is very evident that local students trust Parkside to create and maintain a supportive academic environment that will provide them with top-notch learning opportunities. That’s why SC Johnson and our Chairman and CEO Fisk Johnson were pleased to provide a \$500,000 gift in 2017 to the university to support science education by funding the renovation of the school’s science lab to meet the STEM talent needs of the future. The SC Johnson Integrated Science Lab is a world-class facility that offers students hands-on research opportunities, collaborative workspaces, and updated scientific equipment on par with industry-leading workplaces.

As a leading employer in the southeast Wisconsin, SC Johnson has built a culture that attracts, develops and recognizes employees who keep us at the forefront of innovation and make us an

employer of choice. With those principles in place, we have grown and sustained a vibrant workforce of engaged employees that has garnered the company recognition as one of the greatest places to work around the world. We take particular pride in these awards as they reflect our commitment to providing a great work environment for all SCJ employees.

SC Johnson Workforce and STEM Initiatives

While our company tends to be very low-profile about all we do around the world to support the communities in which we operate, we are very proud of the financial support that SC Johnson has been able to provide over many years in an effort to improve access to STEM education and training, and to prepare young people in underrepresented communities for potential futures in science and technology. Below are a few recent examples of our philanthropic efforts in southeastern Wisconsin to make this goal a reality:

- More than \$1.55 million in donations to the **Racine Unified School District**. Primary support has been through the Kaleidoscope Education Series. Since 1979, SC Johnson has brought KES to our Racine campus so students from underserved communities are able to attend a yearly field trip free of charge. The series offers a variety of STEM programs designed to support school curricula for students in SE Wisconsin. The amount also includes a 3-year \$82,700 grant awarded in 2021 for the **Mitchell Middle School STEM Girls Initiative** to engage and encourage underrepresented girl populations to consider careers in STEM fields.
- \$9 million to benefit **The Prairie School** which supported the creation of a Robotics Lab, Engineering Program and Computer Science Program. The school has prioritized the recruitment of highly credentialed teachers and students from underrepresented populations to teach and pursue a STEM education as a result of the new lab and STEM programs. This support has also helped lead to the creation of a Girls Who Code Club and all girls robotic teams.
- \$59,000 each year (2021-2023) to **Girls, Inc. of Southeast Wisconsin** (a member of the Girls Inc. national organization) to annually engage and encourage over 300 7th and 8th grade girls to explore and entertain careers in STEM fields. Funding will support expansion of the Operation SMART STEM program, which offers after-school STEM multi-disciplinary experiences, including tutoring and exposure to two off-site STEM experiences at area companies. While not in

Wisconsin, \$50,000 was provided to expand the Operation SMART program to the south side Chicago neighborhoods of Pullman and Roseland. Through this expansion, Girls Inc. will engage almost 100 underprivileged girls in STEM programming. Additionally, for eight years SC Johnson has sponsored the **Southeastern Wisconsin Girls Engineering, Math and Science (GEMS) Conference**, to help reach middle school aged female students and engage them in hands-on experiences and learning sessions designed to encourage engagement and pursuit of courses and careers in science and technology, and ultimately inspire young girls to reach their potential.

- \$500,000 to sponsor the SC Johnson STEM lab at **Saint Catherine's High School** in Racine, which has a majority-minority population. This donation helped enable the school to provide a state-of-the-art STEM lab for students to learn and explore the unlimited career opportunities available through STEM education.

In recent years, SC Johnson has partnered with **Gateway Technical College** in our “backyard” of Racine, Wisconsin, to help ensure its programs meet evolving workforce needs, successfully linking students to lifelong learning and career opportunities – while at the same time advancing equity, diversity and inclusion by improving access for underrepresented students. Like UW-Parkside, Gateway draws students from the surrounding area, including Racine, Kenosha, and Walworth Counties. Below are a few prime examples of how SC Johnson has partnered with Gateway to realize this mission:

- \$9.8 million to support educational opportunities as well as job and vocational training programs targeted at low-income and minority populations in the Racine area. This includes the Gateway Promise and Boot Camp Programs.
- \$5.5 million to the **STEM Scholars Pathway Program**, which was developed in 2020 to provide educational funds for young women and/or disadvantaged populations to pursue a STEM degree through the 2+2 articulation agreement program offered by Gateway and its partner institutions. The program has the following conditions:
 - \$7,500 scholarship per student, per school year
 - 18 new students annually (180 total students over life of program)
 - Scholarships are limited to high school senior young women and students of color residing in the RUSD school district

- Degree Pathways are limited to: Electrical Engineering Technology, Architectural Engineering, Data Analytics, Cybersecurity, Network Administration, Web Developer or Software Developer
- In 2019, SCJ provided \$195k for the expansion of the Mechatronics Lab at Gateway's SC Johnson iMET Center, known now as the "**Waxdale Mechatronics Lab**". This lab was utilized to facilitate the Advanced Manufacturing Academy held by Rockwell Automation and Gateway.
- In 2020, the **HOPE (High-Skilled Occupations for Professional Employment) Training Program** was created and supported with a donation of nearly \$540,000. The program aimed to upskill and find employment for individuals whose employment was impacted by the pandemic. HOPE was a rapid response training initiative designed to provide the technical skills needed to succeed in essential, in-demand career paths. Academic programs covered include Certified Nursing Assistant (CNA), Commercial Driver's License (CDL), Computer Numerical Control (CNC) Operator, Construction Trades, and Mechanical Maintenance Technician. All areas of training were completed over a three-month period (June-August 2020). There were 215 program participants, with 167 completing courses in their track. As of July 2021, 80 were employed as a result of the program, with 58 continuing in additional education.
 - We are extremely pleased that the HOPE Training Program's positive economic impact as of July 2021 was nearly \$4 million – specifically, \$3,986,944 – which is calculated based on 80 individuals responding x 2,080 hours/year x \$23.96 average hourly wage.
- SC Johnson also supported creation of the **Advanced Manufacturing Academy for STEM Careers** program at Gateway Technical College, which began in the fall of 2020. Below are some of the program's key attributes:
 - Open to Racine-area Junior/Senior High School students, with recruitment focused on girls and minority populations;
 - 100 students over 2-3-year period, but can be upscaled if demand is significant;
 - Students will take 4 college level classes: Industrial Internet of Things (IIOT), Mechatronics, Industrial Controls/Smart Sensors, and Industrial Robotics;
 - Will result in 8 college credits and 4 certificates;

- Credits articulate to a minimum of Gateway, MSOE, Marquette, Milwaukee and Parkside into a STEM degree pathway (engineering, manufacturing, data, and IT); and
- Upon completion of the academy, students will receive \$1,000 scholarship towards pursuit of a 2- or 4-year STEM degree.

Policies for Manufacturing Success

While creating pathways for tomorrow's workforce today is critical to the future growth of manufacturing in southeast Wisconsin and across the U.S., there are also a number of equally important "macro" factors that greatly influence manufacturers' ability to grow and thrive, which ultimately is the only way to create jobs and opportunity and sustain them over time. We believe it's very important for Congress to bear in mind how these factors impact our ability to compete in the global market. For example:

Tax: A competitive tax system is critical to growing the U.S. manufacturing base, and recent adoption of a more competitive tax system has invigorated American manufacturing. According to the National Association of Manufacturers, of which SC Johnson is a member, manufacturers' optimism reached record levels following passage of tax reform legislation in 2017, and this optimism translated into action: 2018 was the best year for manufacturing job creation in the previous 21 years and the best year for manufacturing wage growth in the previous 15 years. A tax agenda for the future must recognize the significance of tax reform to growing the economy and encouraging U.S. investment, and avoid rolling back key pro-growth provisions that could harm job creation or reduce investment in the U.S. Because SC Johnson holds the vast majority of its intellectual property in the U.S., tax policies that encourage and incentivize conducting R&D in the U.S. will be critical to manufacturing success.

Trade and Market Access: 95% of the world's consumers reside outside the U.S., which means manufacturers of all sizes must compete in a global economy by selling not only to U.S. customers but also to the billions of consumers living outside the U.S., in the process supporting American jobs and production. Expanding manufacturers' global reach through a more open, fair and predictable global trading environment continues to be essential to increasing manufacturing production, growing wages here at home, and creating more high-skilled jobs. We encourage Congress to negotiate cutting-edge trade agreements that open markets and

reduce trade barriers, while also addressing key environmental concerns that are global in scale, as well as take steps to combat foreign market-distorting practices that can hurt U.S. manufacturing competitiveness.

Transportation and Infrastructure: From roads and bridges to airports and sea ports, manufacturers depend on reliable infrastructure not only to move finished goods to market, but also to transport key inputs and raw materials that form an essential part of manufacturers' supply chains. With the strong support of manufacturers, Congress approved the largest infrastructure investment in U.S. history last year with enactment of the bipartisan Infrastructure Investment and Jobs Act – including \$550 billion for projects ranging from highway and bridge repairs to significant broadband expansion. As various departments begin to operationalize these new programs, successful execution of the IIJA will help pave the way for the future of manufacturing in America.

Research, Innovation and Technology: Manufacturers are innovators, inventors, and risk-takers – and in the U.S. they account for roughly two-thirds of private-sector spending on R&D activities. Innovation is the lifeblood of the manufacturing economy and the foundation of a globally competitive manufacturing base in the U.S. To power modern manufacturing in the U.S., federal policies must keep up with the industry's needs, prioritizing both investment and innovation, including delivering strong IP protections in the U.S. and as international trade agreements are being negotiated.

Smart Regulation: SC Johnson believes regulation is necessary and critical to protect worker safety, public health, and our environment. In fact, we have been vocal in our support for new regulation to address the growing problem of plastic waste in a way that supports creating a circular economy for plastic products and packaging. But over-regulation risks holding back our country's economic potential. A predictable regulatory system focused on outcomes and relying on best-available science, with flexibility for innovation, along with a fair legal system are critical components to ensuring the future competitiveness of U.S. manufacturing. We encourage Congress to set and enforce responsible regulatory budgets, conduct rigorous oversight and hold independent regulatory agencies accountable for discretionary regulations, improved transparency, and the quality of the rules they initiate.

The Workforce of Today & Tomorrow

SC Johnson's Waxdale manufacturing facility, located in Mt. Pleasant, WI has traditionally been one of the largest employers in the local area, with nearly 800 employees. Historically, employee turnover is around 3% and the longevity of employee service averaged between 20-25 years. However, starting in 2019, and continuing through today, we have seen a distinct shift in our workforce, and an accelerated pace of change in the following areas:

- An increased demand on local labor pool that far outpaces the current supply.
- A lack of availability of local production, technical and trades resources.
- Employee recruitment and retention drivers are not keeping pace relative to employment choices.
- Technology changes that are resulting in steep learning curve requirements.

The experience of SC Johnson mirrors that of employers around the country. According to the most recent report on employee tenure from the Bureau of Labor Statistics, the median number of years that wage and salary workers have been with their current employer is 4.1 years. This same report found that a larger proportion of older workers than younger workers had 10 years or more of tenure. Among workers ages 60 to 64, 54 percent have been employed for at least 10 years with their current employer, compared with 10 percent of those ages 30 to 34. As the older generations age out of the workforce, there are fewer employees with institutional knowledge and skills developed over years in the workforce. Combined with new technology and training requirements, this has placed a big strain on employers.

To tackle these issues, SC Johnson has looked to our local community partners. We have increased our partnership with Gateway Technical College and local high schools, encouraging and incentivizing trades skills building; designed training programs tailored to specific skill sets; and provided internship/apprenticeship opportunities to local students. We have also developed programs to address the issue of employee turnover including providing individualized career and technical training plans for employees; upgrading and modernizing our equipment, processes and tools; and providing reimbursement for higher education and/or trades training opportunities. We recognize that employees have the option of choosing where they work, and as a long-time member of the southeast Wisconsin community, we want to be their choice.

All of this alone will not solve the workforce issues that manufacturers are experiencing, and there are areas where local, state, and federal partners can partner with industry. Local communities need help reinstating trades-oriented classes and training programs that provide pathways for placement in manufacturing roles. Economic incentives for programs that help build technical skills would help close the workforce gap, provide opportunities for workers to learn and develop new skills, and support business growth.

Companies need assistance closing the technology gap and upgrading to systems that better adapt to rapid technology changes. Modernizing equipment helps companies drive innovation and addresses workforce job content preferences shifting away from traditional manual tasks. At SC Johnson, we are currently piloting new electronic devices and software that addresses generational preferences on how information is delivered. We recognize that upgrades are needed to more closely reflect the technology that students and the younger generations of employees are using today.

SC Johnson is committed to laying the groundwork today to support the workforce of tomorrow. We believe it is possible to address today's issues while also laying the foundation for the future workforce. This will require the collaboration of industry and our elected leaders, but the end result is a pathway to family-sustaining jobs for all Americans regardless of education or background.

In closing, I would like to thank Chairman Himes, Ranking Member Steil, Congresswoman Moore, and members of the Committee for this opportunity to share our views. SC Johnson looks forward to continuing to work with you and your colleagues as you seek opportunities to address workforce and education issues facing employers around the country.

I look forward to your questions.